

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **CHILE**

### **PROGRAM FOR INNOVATIVE INTERVENTIONS FOR OLDER ADULTS**

**(CH-L1005)**

### **LOAN PROPOSAL**

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## **BASIC SOCIOECONOMIC DATA**

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

## **INFORMATION AVAILABLE IN THE TECHNICAL FILES**

### **Preparation:**

Descriptive proposal of the program requested by the Government of Chile

Letter of request

Terms of reference for project preparation (PROPEF)

Institutional diagnostic assessment of SENAMA by the Bank's Disbursements and External Audits Office

Itemized cost table and schedule

Act 19828 of the Republic of Chile, establishing SENAMA (2002)

National Policy on Older Adults

Presidential decree establishing the Committee of Ministers for Older Adults (2004)

2004 Budget Act, section on SENAMA

Documentation on programs and services for older adults offered by various public- and private-sector entities (SERNATUR, Ministry of Housing and Urban Development, FOSIS, Catholic University of Chile, University of Valparaíso)

Evaluation matrix

### **Execution:**

Operating Regulations

Itemized logical framework

Evaluation matrix

## ABBREVIATIONS

AFP	Administradora de Fondo de Pensiones [pension fund administrator]
CAL	Centro de Atención Local [Local Center for Services]
CASEN	Caracterización Socioeconómica Nacional
CESI	Committee on Environment and Social Impact
CMAM	Comité de Ministros sobre el Adulto Mayor [Committee of Ministers on Older Adults]
ECLAC	Economic Commission for Latin America and the Caribbean
FIES	Financiamiento de Iniciativas y Estudios Sectoriales [Financing for Sector Studies and Initiatives]
FONAM	Fondo Nacional del Adulto Mayor [National Fund for Older Adults]
FONASA	Fondo Nacional de Salud [National Health Fund]
FRUCAM	Federación de Uniones Comunales de la Región Metropolitana [Federation of Local Associations in Metropolitan Santiago]
ICB	International competitive bidding
ILO	International Labour Organization
INP	Instituto de Normalización Previsional [Social Security Administration]
JICA	Japan International Cooperation Agency
KfW	German bank for international development
OIRS	Oficina de Información y Reclamos del Ministerio Secretaría General de Gobierno [Office of Information and Complaints of the Ministry of the Office of the President]
PAHO	Pan American Health Organization
PMG	Programa de Mejoramiento de la Gestión [management improvement program]
PNCAM	Plan Nacional Conjunto para el Adulto Mayor [Joint National Plan for Older Adults]
PROPEF	Project Preparation Facility
PTI	Poverty-targeted investment
RCPAM	Red Chilena de Programas para el Adulto Mayor [Chilean Network of Programs for Older Adults]
ROS/DAU	Disbursements and External Audits Office
SEGPRES	Ministerio Secretaría General de la Presidencia [Office of the Chief of Staff of the Office of the President]
SENAMA	Servicio Nacional del Adulto Mayor [National Office of Older Adults]
SEREMI	Secretaría Regional Ministerial [Regional Ministerial Office]
SERVIU	Secretaría Regional de Vivienda y Urbanismo [Regional Department of Housing and Urban Development]
SIGFE	Sistema de Información para la Gestión Financiera del Estado [State Information System for Financial Management]



# CHILE

## IDB LOANS APPROVED AS OF JUNE 30, 2004

	US\$Thousand	Percent
<b>TOTAL APPROVED</b>	<b>5,024,991</b>	
DISBURSED	4,754,592	94.61 %
UNDISBURSED BALANCE	270,398	5.38 %
CANCELATIONS	974,279	19.38 %
PRINCIPAL COLLECTED	4,236,148	84.30 %
<b>APPROVED BY FUND</b>		
ORDINARY CAPITAL	4,777,882	95.08 %
FUND FOR SPECIAL OPERATIONS	204,126	4.06 %
OTHER FUNDS	42,982	0.85 %
<b>OUTSTANDING DEBT BALANCE</b>	<b>518,445</b>	
ORDINARY CAPITAL	514,152	99.17 %
FUND FOR SPECIAL OPERATIONS	3,338	0.64 %
OTHER FUNDS	955	0.18 %
<b>APPROVED BY SECTOR</b>		
AGRICULTURE AND FISHERY	954,954	19.00 %
INDUSTRY, TOURISM, SCIENCE AND TECHNOLOGY	723,548	14.39 %
ENERGY	1,124,693	22.38 %
TRANSPORTATION AND COMMUNICATIONS	787,853	15.67 %
EDUCATION	41,284	0.82 %
HEALTH AND SANITATION	197,020	3.92 %
ENVIRONMENT	2,751	0.05 %
URBAN DEVELOPMENT	521,872	10.38 %
SOCIAL INVESTMENT AND MICROENTERPRISE	124,978	2.48 %
REFORM AND PUBLIC SECTOR MODERNIZATION	353,977	7.04 %
EXPORT FINANCING	0	0.00 %
PREINVESTMENT AND OTHER	0	0.00 %

\* Net of cancellations with monetary adjustments and export financing loan collections.



**Inter-American Development Bank**  
Regional Operations Support Office  
Operational Information Unit

## Chile

### Tentative Lending Program

#### 2004

Project Number	Project Name	IDB US\$ Millions	Status
<a href="#">CH1007</a>	FEP:L1005 Innovative Interventions for Older Adults Program	0.3	APPROVED
<a href="#">CH1005</a>	Innovative Interventions for Older Adults	7.0	
<a href="#">CH1006</a>	Public Building Management	3.0	
<a href="#">CH1001</a>	Strengthening of Digital InformationStrategy	15.9	
<b>Total - A : 4 Projects</b>		<b>26.2</b>	
<a href="#">*CH1003</a>	Ruta 60 toll road	70.0	
<b>Total - B : 1 Projects</b>		<b>70.0</b>	
<b>TOTAL 2004 : 5 Projects</b>		<b>96.2</b>	

#### 2005

Project Number	Project Name	IDB US\$ Millions	Status
<a href="#">CH1004</a>	Urban Renewal and Development Valparaiso	30.0	
<b>Total - A : 1 Projects</b>		<b>30.0</b>	
<b>TOTAL - 2005 : 1 Projects</b>		<b>30.0</b>	
<b>Total Private Sector 2004 - 2005</b>		<b>70.0</b>	
<b>Total Regular Program 2004 - 2005</b>		<b>56.2</b>	

**\* Private Sector Project**





# CHILE

## STATUS OF LOANS IN EXECUTION AS OF JUNE 30, 2004

(Amount in US\$ thousands)

APPROVAL PERIOD	NUMBER OF LOANS	AMOUNT APPROVED*	AMOUNT DISBURSED	% DISBURSED
<b><u>REGULAR PROGRAM</u></b>				
2000 - 2001	4	440,232	239,866	54.49 %
2002 - 2003	4	74,959	3,259	4.35 %
<b><u>PRIVATE SECTOR</u></b>				
2002 - 2003	1	7,000	0	0.00 %
<b>TOTAL</b>	<b>9</b>	<b>\$522,191</b>	<b>\$243,125</b>	<b>46.56 %</b>

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\* Net of cancellations. Excludes export financing loans.

**PROGRAM FOR INNOVATIVE INTERVENTIONS FOR OLDER ADULTS**  
**(CH-L1005)**

**EXECUTIVE SUMMARY**

<b>Borrower and guarantor:</b>	Government of the Republic of Chile	
<b>Executing agency:</b>	National Office of Older Adults (SENAMA)	
<b>Amount and source:</b>	IDB (OC):	US\$6.5 million
	Local:	US\$2.8 million
	Total:	US\$9.3 million
<b>Terms and conditions:</b>	Amortization period:	15 years
	Grace period:	3.5 years
	Disbursement period:	3.5 years
	Interest rate:	LIBOR-based
	Inspection and supervision:	0.00%
	Credit fee:	0.25%
	Currency:	U.S. dollar under the Single Currency Facility
<b>Objectives:</b>	<p>The program objective is to develop innovative public services for older adults and improve their delivery and to increase the capacity for organized demand on the part of older adults, thereby contributing to equitable, nondiscriminatory access to health, education, cultural, and other services provided by government agencies in Chile, promoting greater, higher-quality participation by associations for older adults. The specific objectives of the program are to: (i) strengthen SENAMA's role in coordination and linkage of policies, initiatives, and programs for older adults carried out by Chilean government agencies; (ii) introduce innovative systems for intersector and regional planning and coordination; (iii) strengthen the capacity of organizations for older adults to influence government initiatives and to promote projects; and (iv) introduce innovative models for local services for older adults and professionalize municipal management of the services.</p>	

**Description:****1. Institutional strengthening of SENAMA**

The objective of this component is to strengthen SENAMA at the central and regional levels by developing its internal capacities, systems, instruments and mechanisms for coordination, management, supervision, and evaluation to help it perform its duties and exercise its authority. To this end, the following will be implemented: (a) a proposal for enhancement of the SENAMA organizational structure; (b) integrated systems for information, planning, monitoring, and evaluation at the central level; (c) improved institutional capabilities to ensure intersector coordination at the central and regional levels; and (d) activities and systems for SENAMA staff training.

**2. Improve intersector and regional coordination of public services for older adults**

Under the second component, activities will be financed to improve, innovate, and strengthen processes for intersector and regional coordination for more efficient, relevant services for older adults, promoting linkage of programs and initiatives, the most efficient use of resources, and changes in work practices in the services provided to older adults. To achieve this objective, the following four subcomponents were designed: (a) design, monitoring, and evaluation of the Joint National Plans for Older Adults for 2005 and 2006; (b) improved management and work practices in the delivery of public services for older adults; (c) Funding for Sector Studies and Initiatives (FIES), which will support projects and studies designed to expand and improve services for older adults (education, health, transportation, sports, culture, tourism, and other areas), strengthening the lines of activity agreed upon in the Joint National Plans that address situations for which there are no public services and will improve the social impact, financial and technical sustainability, and prospective life cycle of the sector programs or services; and (d) development of regional institutions through the establishment and startup of 13 SENAMA regional offices.

**3. Promote and develop the social worth and active citizenship of older adults**

The third component of the program will strengthen organized participation of older adults in local clubs and associations for them, thereby improving their capacity to influence government initiatives for that segment of the population, promote projects targeting their membership, and stimulate the demand for and supply of public and private services. To this end, the component consists of three subcomponents that will: (a) strengthen the capacity for management and delivery of services by local associations for older adults and the capacity of their leaders; (b) increase the number of formally

established clubs for older adults; (c) strengthen SENAMA's public information for government officials, political and media leaders, and older adults themselves. It will strengthen and develop SENAMA's public information campaign, designed to better position the issue of older adults among key target audiences: political and media leaders, government officials, and older adults.

#### **4. Develop innovative models for local services for older adults**

The fourth component will finance the design, development, implementation, and evaluation of pilot projects in 20 municipalities. Through two subcomponents, it will support: (i) validation of models (preventive, intersector, participatory) and innovative local centers for services for older adults; and (ii) professionalization and strengthening of management by municipal governments. The models to be tested will operate basically as local multipurpose windows in Local Centers for Services (CALs), where older adults can access innovative services for information, guidance, and referrals to various services (welfare, health, housing), training, recreation, support for organizations for older adults, and volunteerism (i.e. for health, home visits, training), among other areas. The innovations to be developed will incorporate practices that make use of indigenous cultural experiences and the contributions of the indigenous elderly. At the same time, it will improve municipal capacity to manage initiatives for local services, through training, exchanges and partnerships between municipalities and other local stakeholders.

#### **Evaluation**

In addition, the program will evaluate the results of the Joint National Plan for Older Adults (PNCAM), the FIES, the interventions in organizations for older adults, and the models for local services, through four evaluation studies: (i) evaluation of satisfaction, participation, and empowerment of older adults; (ii) evaluation of preparation and implementation of the Joint National Plans for Older Adults; (iii) media analysis; and (iv) a mid-term and final evaluation of the program. Special attention will be paid in the reviews to lessons learned, replicability, and sustainability of the pilot projects conducted and the expected impact of the services provided on users.

#### **Role of the project in the Bank's country and sector strategy:**

The strategy agreed upon between the country and the Bank is to support government activities designed to: (i) enhance social equity and improve the quality of life of the population, with emphasis on vulnerable groups; (ii) modernize the State and its coordination and provision of public services, promoting preventive intersector interventions that optimize the use of public funds; and (iii) increase

citizen participation in the design, execution, and evaluation of public policy.

The proposed program is consistent with this strategy because it includes: (a) activities to reduce the vulnerability of older adults and improve equitable access to basic services for them; (b) support for coordinated, efficient, preventive government initiatives; and (c) the strengthening of clubs and networks for older adults. The program is thus based on a strategy combining organization and empowerment of demand and an improvement in the supply of public services for older adults from a sector and regional perspective, since both SENAMA and the municipalities participating in the program will be strengthened as institutions in the context of their respective functions.

**Coordination  
with other  
development  
institutions:**

The program will supplement the planned internships for staff from SENAMA and other agencies in certain municipalities in Japan in 2004, with support from the Japan International Cooperation Agency (JICA), and ongoing activities by a number of nongovernmental organizations with local clubs and associations for older adults in metropolitan Santiago, which are receiving financial support from the German agency for international development, KfW. Meetings will be held during the program for exchanges with these donors. No activities by other multilateral organizations were identified.

**Environmental  
and social  
review:**

The program was approved by the Committee on Environment and Social Impact (CESI) at its meeting on 23 April 2004.

**Benefits:**

The program benefits will include: (a) improved access to and rational use of local basic services for health, education, and welfare, among other services, all of which will increase their independence and autonomy; (b) strengthening of the social capital of the organized elderly, their communities, and their families; (c) innovation and strengthening of coordinated responsiveness on the part of the Chilean government to the needs of its elderly population; and (d) the proposed creation of a corps of “Seniors for Development,” who will make a tangible contribution to local development in their neighborhoods, communities, and regions.

**Risks:**

The primary risk of the program is related to SENAMA’s short life and limited experience as a government agency, but will be reduced by the institutional strengthening activities. The mitigating factors will be that: (i) institutional strengthening is one of the main program components; (ii) SENAMA has developed a strong mobilizing capacity, bolstered by the fact that it reports to the Office of the Chief of Staff; and (iii) SENAMA acts as Executive Secretariat of the recently established Committee of Ministers for Older Adults.

A second risk stems from the coexistence of the various central government agencies in Chile with the local autonomy of the municipalities, which may affect the efficiency of development of execution of component 4 (models for local services). This risk will be mitigated by the establishment of SENAMA regional offices, by the involvement of provincial authorities in program execution, and by the fact that the proposals for the various pilot projects will be prepared and submitted by the municipal authorities themselves.

Another risk that may affect execution of component 4 concerns the continued commitment to participate in the program on the part of the municipalities selected, given the upcoming municipal elections. Among the measures planned to mitigate this risk are: (i) community centers will participate in project promotion in the municipalities selected before the agreements are entered into; (ii) the Municipal Councils will act as guarantors in the agreements to be entered into with SENAMA; and (iii) a larger universe of potential participating municipalities has already been identified, so that any municipalities with newly elected mayors who decide to opt out of the program can be replaced.

**Special  
contractual  
clauses:**

As a condition precedent to the first disbursement under component 4, SENAMA must enter into at least five agreements with the respective municipalities (paragraph 3.23).

As a condition precedent to the first disbursement of the loan, the borrower must demonstrate, to the satisfaction of the Bank, that: (a) a ministerial resolution has been issued establishing that SENAMA must discharge all the respective obligations that are assumed by the borrower in the loan contract (paragraph 3.2); and (b) the Operating Regulations have entered into force (paragraph 3.27).

**Poverty  
targeting and  
social sector  
classification:**

This operation qualifies as a social-equity enhancing project, as described in the key objectives for Bank activity set forth in the Report on the Eighth General Increase in Resources (document AB-1704). It does not qualify as a poverty-targeted investment (PTI).

**Exceptions to  
Bank policy:**

None.

**Procurement:**

The procurement of goods and services will be carried out in accordance with Bank procedures, which will be part of the loan contract. International competitive bidding (ICB) will be required for the procurement of goods in amounts equal to or greater than US\$350,000. For amounts below that threshold, the procedures set forth in Chilean legislation will be followed. In the case of works, ICB will be required for amounts equal to or greater than

US\$1 million. ICB will be required for the hiring of consulting firms for amounts equal to or greater than US\$200,000, with prequalification of the firms. For amounts below that threshold, local competitive bidding will be required, in accordance with the Policies and Procedures for the Procurement of Consulting Services (<http://www.iadb.org/ros/prm/english/docs/PPPCS.pdf>).

With a view to expediting program execution, the Bank will conduct an ex post review of supporting documentation on the procurement of goods, the hiring of consulting services, and disbursement requests for the subsequent bidding procedures for each type of works, for the procurement of goods in amounts below US\$50,000, and for the hiring of consulting firms for contracts in amounts below US\$100,000. Ex ante reviews will be conducted in all other cases (paragraphs 3.34 to 3.38).

## I. FRAME OF REFERENCE

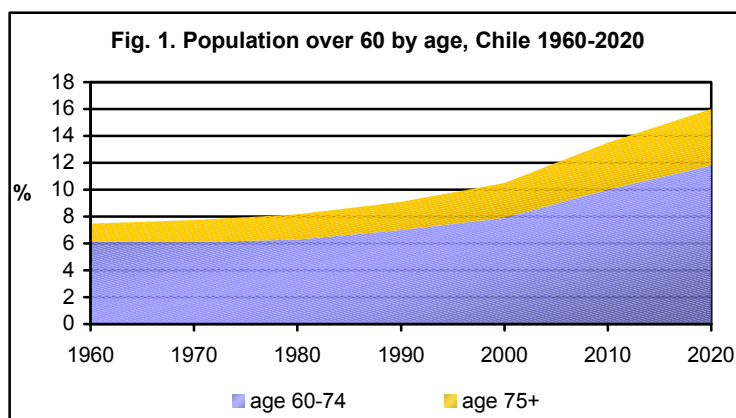
### A. Changes and status of the older adult population in Chile

- 1.1 Like Argentina, Cuba, and Uruguay, Chile is at an advanced stage of demographic transition, with low fertility and mortality rates and life expectancy at birth similar to Puerto Rico, Slovenia, the Czech Republic, Korea, and Denmark. Life expectancy at birth (2000-2005) is 79 years for women and 73 for men, up sharply in just 20 years from 70.6 and 63.9 in 1975-1980. In the next 10 years the proportion of Chileans 60 and over will grow faster than any other country in the region except Puerto Rico (Table I-1).

**Table I-1**

<i>Percent of the population age 60 and over, selected countries, 2005 and 2010</i>					
Country	2005	2015	Country	2005	2010
Argentina	14.4	16.1	Spain	22.7	25.2
Bolivia	6.6	8.2	Jamaica	9.4	10.7
Brazil	8.9	11.8	Mexico	8.2	10.3
Chile	11.8	15.2	Paraguay	7.1	8.2
Costa Rica	8.2	11.0	Puerto Rico	17.2	22.1
Cuba	14.8	18.2	Uruguay	17.5	18.6

- 1.2 In 2005, Chile will have 1.8 million people over 60, or 11.8% of the total population and over 20% in 51 municipalities (*comunas*). That figure will reach 3.1 million (17.5%) by 2020. The population aged 85 or older is growing even faster and will triple by 2025. Most older adults are women (56%), and the proportion increases with age.





- 1.3 The population structure is shifting throughout the country, with an older person living in over one in five households in nearly all municipalities. In more than one in three municipios (37.1%), over 10% of households are occupied only by older people. Of the 696,000 Chileans belonging to indigenous ethnic groups, nearly 10% (68,000) are older, or 4% of the country's total older population. Most of these are Mapuche (87.5%), reflecting their importance among indigenous groups.
- 1.4 In Chile, most (84%) of the older adult population is urban with relatively high concentrations in Regions IV, V, VI, IX, and X, and some municipalities in the Santiago metropolitan area. As in countries of the northern hemisphere, in Chile more people are living longer with greater opportunity to do so in better conditions. Needs and demands are concentrated in urban areas.

### **1. Poverty, pensions, and participation in the workforce**

- 1.5 Poverty fell among older adults from 20.4% in 1990 to 8% in 2000 (with 1.6% extremely poor and 6.4% poor). Yet more than two in five older people still live in the poorest two quintiles of the population, especially in regions IX and X. In 2000 just under one in four older people (23.4%) were employed,<sup>1</sup> mainly in agricultural activities, community social and commercial services, and the informal sector. This figure has risen over the past 10 years. The higher demand for productive employment reflects older adults' response to economic uncertainty stemming from insufficient contributory pensions and the low coverage and inadequacy of social security benefits.
- 1.6 Chile's pension system depends on a declining number of beneficiaries of older pay-as-you-go pension plans run by the Social Security Administration (INP), legally mandated enrollment with pension fund management firms (AFPs) for younger cohorts, and required government welfare support for recipients of INP or AFP pensions that fall short of a legal minimum, and individuals not covered by their system. Two out of three Chileans over 60 receive social security benefits of some kind, and that proportion increases with age.<sup>2</sup> But a cause for concern is that barely half of those outside the social security system receive welfare benefits, and that these average just US\$170 (2003).

### **2. Education**

- 1.7 Thirteen percent of Chile's older population is illiterate—triple the 4% average for the total population—without significant gender variation (men: 12.5%; women: 13.4%). This age group averages 6.3 years of schooling (incomplete basic education) with differences by gender and area of residence. Educational attainment is lower in rural areas for both sexes (3.2 and 3.3 years) than in urban areas, where

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<sup>1</sup> National Socioeconomic Survey (CASEN) 2000.

<sup>2</sup> Bertranou et al., ILO, 2002 (1998 data).

the gap widens between men (7.5 years) and women (6.6 years). The education deficit is even more pronounced among older indigenous persons: 58.5% have only completed basic education vs. 44% in the total population, while 4.4% have postsecondary education vs. 15% in the total population. These educational levels greatly limit service demand and use by older adults, hence the need for investment in literacy and education.

### **3. Community participation**

- 1.8 An estimated 7,000 organizations specifically for or of older adults operate in Chile, yet only one in three older Chileans belong to one. Those with the largest membership are neighborhood associations, religious groups, and organizations providing support. Women are more active in these groups, which attract few older men despite their greater perceived loneliness revealed in focus group studies.<sup>3</sup> The disparity is attributed to differing perceptions and preferences, the tendency among the organizations to close off from new members, and conflicts between activity schedules and the daily routines of older people, which many existing organizations fail to take into account.

### **4. Health and functional capacity**

- 1.9 Nearly three out of four older persons (73.1%) go about their daily activities without any physical or mental impairment. Only 9.4% have three or more impairments, and women fare worse than men. Yet two out of three consider themselves to be in fair to poor health. Less than 25% exercise regularly, and preventive health services are not commonly used, due mainly to unawareness and inaccessibility. Moderate to severe depression is frequent, as it is in other societies, affecting almost 25% of the older adult population. The rate is higher for low-income socioeconomic strata.
- 1.10 The public health system covers 80.4% of older adults, compared with 66% of the total population. But 54.1% receive no medical checkups, and just 15.4% go to healthcare facilities for illness or accidents.

### **5. Housing and living arrangements**

- 1.11 While 80.3% of older adults live in a home they own outright, and 5.7% are still paying off their housing, the trend is inversely proportional to socioeconomic standing. The vulnerability of older adults is due in large part to their living arrangements. These are compounded by other risks and deficiencies, worsening difficult social conditions, especially for people enfeebled by illness, loneliness, social isolation, lack of emotional support, deprivation, and substandard housing.

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<sup>3</sup> Viveros A., Vejez y Pobreza en Chile: “La visión de las personas mayores” [Age and poverty in Chile: “The views of older adults”], CEDESCO, 2004.

- 1.12 Clearly, loneliness is one of most critical problems faced by older adults. One in 11 older Chileans lives alone. That proportion rises up to age 85, and then falls mainly because of more people living with children and in-laws in family units of three or four. Although the distribution of older adults living with or without a partner has remained nearly constant over the past 10 years, the vulnerability of the 45% without a partner is cause for concern, affecting women (57%) more than men.

## **6. Culture and perceptions of aging**

- 1.13 Chile shares with other Latin American countries a widespread, negative cultural image of aging and old age. For older Chileans, this translates into job discrimination, forced retirement, barriers to credit, scant appreciation of their potential as consumers of products and services, loss of their place in society, lower self-esteem, low income, absence of social safety nets for older adults, and other factors that keep them from fully exercising their rights as citizens and lower their quality of life. Recent focus groups<sup>4</sup> have documented these effects, specifically: a perception that older adults lack a social safety net in public services (employment legislation, taxation, pensions, healthcare), misinformation on the benefits to which older adults are entitled, and a perception that public policies targeting older adults are isolated stopgap measures that are not supportive. Significantly, older Mapuche men and women draw on their social support network for the full range of needs.

## **B. Initiatives by government and civil society**

### **1. Government agencies**

- 1.14 Organized government efforts to assist older adults began in 1995 with the creation of a National Committee on Older Adults, whose membership includes representatives of academia, civil society, and policymakers. The Committee conducted a diagnostic study on older adults in Chile that led to formulation of a National Policy on Older Adults in 1996. The policy assigns priority to equity and intergenerational solidarity, self-esteem, active aging, prevention, flexibility, decentralized action, and a subsidiary, regulatory role for the government.
- 1.15 After a number of successful initiatives, in 2002 the Chilean government transformed the Committee into the National Service for Older Adults (SENAMA), which began operation in 2003. Currently, SENAMA operates with presidential oversight through the Office of the Chief of Staff as a functionally decentralized agency with full legal capacity and its own assets. Among its responsibilities: (a) study and build knowledge of conditions affecting Chile's older population, its needs, and how these change over time; (b) coordinate, formulate, implement, and evaluate Chilean government policies on older adults through specific regulations and planning; (c) coordinate and support programs and initiatives by public and

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<sup>4</sup> Viveros, op cit.

- private-sector institutions to effectively integrate older adults into the family and society and resolve their problems; and (d) administer a national competitive fund to support relevant initiatives by organizations for older adults, NGOs working with them, and other such public- and private-sector entities.
- 1.16 To support public-sector activities in this area, the Chilean government also set up a Committee of Ministers for Older Adults in April 2004, with SENAMA serving as Executive Secretariat, to identify common lines of activity to be implemented by the various ministries and public services (90 programs run by 25 institutions) under the recently formulated Joint National Plan for Older Adults (PNCAM), through specific activities targeting access to services for literacy, healthcare, employment, income, social safety nets, and other areas. SENAMA is responsible for coordination, support, monitoring and evaluation of the Joint National Plan, as well as its promotion at the regional, provincial, and municipal levels.
- 1.17 To carry out its duties and fulfill its mandate, SENAMA is headed by a national director and has 33 professional and technical staff organized into three departments: planning, development and control; intersector and regional coordination; and administration and finance. It also has an advisory committee (being established), audit and public relations units, and regional committees throughout the country with basic information and communication technology infrastructure and equipment. Of its US\$2.9 million annual budget, it transfers US\$2.1 million (77.8%) to such public- and private-sector institutions as the National Council for Protection of Older Adults, the National Fund for Older Adults, and the Santiago subway system for discounts to older persons.
- 1.18 In its first year as a legally established entity, SENAMA has made substantial progress getting up and running and in conducting social policy training, coordination, and planning activities that are beginning to merit peer recognition in the public and private sectors. One such activity was setting up a National Fund for Older Adults<sup>5</sup> and the first initiatives to coordinate with the public and private sectors. At the same time, an institutional diagnostic assessment of organization, planning and budget, and general administration units conducted by the Bank's Disbursements and External Audit Office revealed critical gaps, attributable in most cases to the short time SENAMA has existed. The key areas identified for institutional strengthening were: (a) enhancing the current organizational structure and procedures for administration and internal control; (b) information systems both for internal management and for monitoring and evaluation of the institution's and sector's activities; and (c) training for staff in project management, execution, and evaluation.
- 1.19 Gender equity is now a public policy objective in Chile and a strategic area to be addressed by government agencies in stages under the better management programs

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<sup>5</sup> A competitive fund for projects proposed by organizations for older adults.

(PMG) mandated by Law 19553 of 1998. The agencies will bring technical and financial resources to bear in five stages, in order to raise staff awareness and build the policy's gender inclusion principles into their programs and operations. SENAMA has already started its better management program for gender issues and appointed someone to head that effort. Since it was just recently established, SENAMA is at the diagnostic assessment stage but expects to complete the cycle of activities in 2006.

## **2. Sector structure and public services for older adults**

- 1.20 In addition to SENAMA's activities, several public-sector institutions operate a number of initiatives in education, tourism, culture, and employment such as: (i) the program for senior citizen vacations and training for organizations, run by the National Tourism Department; (ii) the Ministry of Education's adult education program; (iii) the INP's reading and writing program; (iv) healthcare programs for older adults, run by the Ministry of Health and National Health Fund (FONASA); (v) recreational sports and exercise programs organized by many municipal governments; (vi) the preferential legal aid program for older adults, run by the Ministry of Justice's Legal Aid Corporation; (vii) housing and urban development programs for older adults, run by the Ministry of Housing and Urban Development; (viii) old age and survivors benefits paid by the INP to older adults and widowed spouses; and (ix) intergenerational cultural programs organized by the Office of Libraries, Archives and Museums.
- 1.21 Operating at the regional level are the regional committees for older adults. These work on behalf of SENAMA to implement the National Policy on Older Adults, manage the National Fund for Older Adults and other resources, and advise the prefect on regional promotion and implementation of plans, programs, and actions to benefit older adults.
- 1.22 Despite these considerable efforts, the government is seen as acting in an uncoordinated, makeshift manner with no cross-sector support for older adults. Moreover, government workers do not have the skills needed to best deliver services to them. Aging is still poorly positioned as an issue in public policy and the media, and public service planning fails to take demographic trends into account. The level of programs for older adults varies widely from municipality to municipality with very little attention paid to support for older people with disabilities that make them physically or mentally dependent. While a number of municipalities have interesting solutions and experience with this issue, many others offer nothing, whether out of ignorance or a lack of political will. In general, existing solutions and knowhow need strengthening to focus less on welfare and more on relevant, comprehensive preventive measures.
- 1.23 The private sector supplements government services through, for example, private agencies that pay family allowances, the "senior citizen universities" operated by a

number of educational institutions, and networks and organizations for older adults and NGOs working with them.

### **3. Civil society and older adults**

- 1.24 A study has documented 6,474 community clubs with 217,394 older members, affiliated with 206 local associations and networks and often supported by the municipal governments; 921 clubs affiliated with the Catholic Church (CARITAS) with 28,827 members; and 273 groups organized by the Red Cross with 8,403 members.<sup>6</sup> A recent survey by the Chilean Network of Programs for Older Adults also identified nearly 300 trade association groups (mainly advocacy groups for pensioners and retirees). In the Santiago metropolitan area alone, there are 2,222 community clubs with 79,000 members, whose local associations established the Federation of Local Associations of the Metropolitan Region (FRUCAM). Although FRUCAM has been established for some time and is now organizing a national confederation, it has yet to leverage much of its potential or that of its affiliated associations and clubs.
- 1.25 Together, these organizations play an important role at the neighborhood or local level in developing and implementing a range of organized activities for older adults. Yet despite their local penetration, there is cause for concern: few older people belong to these organizations (36.8%), as noted in paragraph 1.8, women being more active in community clubs and men in other types of groups; they have little means of communicating with local and national authorities to express and satisfy their needs; the membership tends not to participate in decision-making within these groups, leaving it to the leaders; they have difficulty networking with other groups; and legal obstacles prevent these organizations from being formally established.
- 1.26 These factors conspire to keep organizations for older adults from reaching their full potential in defending their members' rights and addressing their needs. They lead to a vicious circle of weakness, observed among existing networks and organizations of older adults as cause and effect of their low level of participation. Indeed, the shortcomings of existing groups in the absence of technical and financial support to remedy them, especially in terms of empowerment and membership, are critical in view of the low coverage of public services for older adults.

#### **C. Principal problems facing older adults and the country's sector strategy**

- 1.27 The principal problems affecting older people's quality of life in Chile include: (a) negative cultural perceptions of aging that hinder the exercise of such basic citizen rights as the right to work, decent pay, credit, and the opportunity to

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<sup>6</sup> SENAMA, National Survey of Social Organizations for Older Adults, 2003.

continue contributing to society; (b) sedentary lifestyles with little use of preventive health services; (c) a persistent, high percentage of older persons in the lowest-income quintiles of the population without effective social safety nets; (d) much higher illiteracy rates than Chile's general population; (e) low participation in organized groups, which limits social integration of older adults and their access to basic services; and (f) the prevailing welfare approach and limited coverage, quality, attention, coordination, planning, and participatory openness in public services and infrastructure for older adults, particularly at the municipal level. To address these cross-sector issues, Chile has adopted a National Policy on Older Adults as already described and set up SENAMA, making efficient, cross-sector interventions viable by establishing the Interministerial Committee for Older Adults and Joint National Plan for Older Adults. The proposed operation is consistent with this sector strategy.

**D. Bank's country strategy and sector experience**

- 1.28 The strategy agreed upon between the country and the Bank is to support government activities designed to: (i) enhance social equity and improve the quality of life of the population, with emphasis on vulnerable groups; (ii) modernize the State and its coordination and provision of public services, promoting preventive intersector interventions that optimize the use of public funds; and (iii) increase citizen participation in the design, execution, and evaluation of public policy.
- 1.29 The proposed program is consistent with this strategy because it includes: (a) activities to reduce the vulnerability of older adults and improve equitable access to basic services for them; (b) support for coordinated, efficient preventive government initiatives; and (c) the strengthening of clubs and networks for older adults. The program is thus based on a strategy combining organization and empowerment of demand and an improvement in the supply of public services for older adults from a sector and regional perspective, since both SENAMA and the municipalities participating in the program will be strengthened as institutions in the context of their respective functions.
- 1.30 Over the past five years, the Bank has conducted studies, organized international meetings, and financed technical-cooperation projects to develop policies and instruments for successful aging for low-income older adults (ATN/FF-6955-RS, ATN/SF-7631-RG, ATN/JF-7779-RS, ATN/SC-7362-RS, and ATN/NI-8657-RS). At the country level, the Bank has experience providing support in this sector through a component of the program to support organizations for older adults (ATN/JF-7779-RS), executed by SENAMA and the Chilean Network of Programs for Older Adults (RCPAM), with good results in terms of the training and strengthening of national networks and organizations for older adults and the SENAMA regional committees. Moreover, the priority assigned to institutional strengthening in the program design was based on lessons learned in Bank operations in Chile and other countries.

- 1.31 With a view to expediting program preparation and the strengthening of SENAMA, the Government of Chile requested US\$299,000 in financing under the Project Preparation Facility (PROPEF), which was approved by the Bank on 24 June 2004.

**E. Coordination with other development institutions**

- 1.32 Other organizations (i.e. JICA, KfW, HelpAge International, PAHO, and ECLAC) have been supporting initiatives by the Committee for Older Adults (now SENAMA) and/or the RCPAM. Many of these are ongoing (with evaluations pending) and some are specific projects in low amounts. The Bank has been coordinating its activities with several of these organizations for many years. ECLAC has been supporting certain studies and CARITAS (of Germany) supports welfare activities in the country. No other initiatives in this area in Chile with support from other multilateral organizations were identified.

**F. Elements for innovation and learning**

- 1.33 The program calls for innovations in response to the problems identified, focusing on organizing and strengthening demand and developing short- and long-term responses in the supply of public and private services. The main elements of innovation and learning are:
- a. formulation and execution of a PNCAM as an innovative instrument for intersector coordination and promotion of joint activities at the central, regional, and local levels, through a supportive, equitable approach for active aging;
  - b. improved effective access to public and private services through the introduction of participatory models for local services for older adults, designed to promote and enhance information and demand, access, preparation, linkage, and coordination of the supply of basic services that are relevant and high quality;
  - c. design and implementation of a public information strategy designed to change the prevailing cultural perception and improve the social worth of older adults and their issues on the part of government officials, political and media leaders, and the target population of the program;
  - d. increasing demand by empowering organizations for older adults as demanders and suppliers of basic services, mainly through training and volunteerism; and
  - e. strengthening SENAMA's capacity, consolidating its role as intersector and regional coordinator of policies on older adults at the national, regional, and municipal levels.

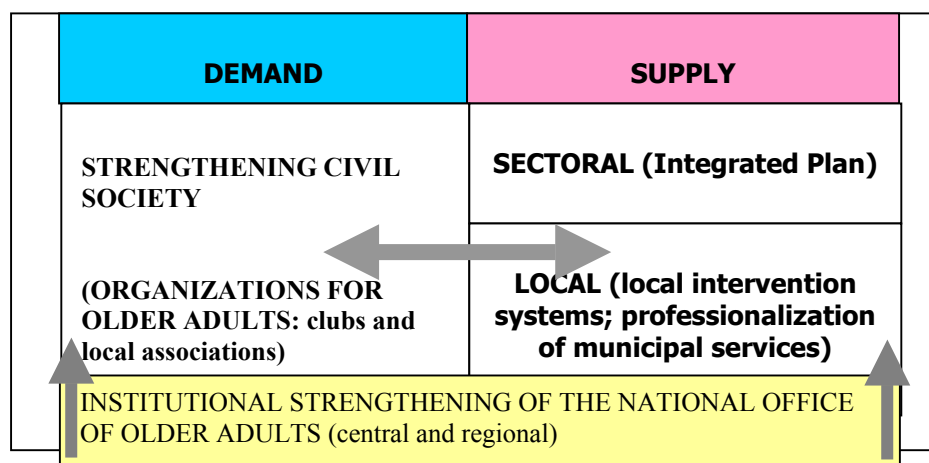


## **II. THE PROGRAM**

### **A. Objectives and strategy**

- 2.1 The program's objective is to develop innovative public services for older adults and improve their delivery and to increase the capacity for organized demand on the part of older adults, thereby contributing to equitable, nondiscriminatory access to health, education, cultural, and other services provided by government agencies, promoting greater, higher-quality, and more responsible participation by associations for older adults.
- 2.2 The specific objectives are to:
  - a. Strengthen SENAMA's role in coordination and linkage of policies, initiatives, and programs carried out by Chilean government agencies for older adults, as well as its ability to adequately position issues related to the country's older population.
  - b. Strengthen innovative processes for intersector and regional coordination to provide more accessible, efficient, and relevant services to older adults, by promoting the linkage of initiatives, the most efficient use of resources, and changes in the work practices of government institutions and officials.
  - c. Strengthen the capacity of organizations for older adults to influence government initiatives on their behalf and to promote projects for their members.
  - d. Introduce innovative models for local services aimed at promoting activities and strengthening the capacity of older adults and the municipalities to administer and manage them.
- 2.3 In short, the program is based on a strategy combining organization and empowerment of demand and an improvement in the supply of public services for older adults from a sector and regional perspective, since both SENAMA and the municipalities participating will be strengthened as institutions to meet the challenges they face in the context of their respective functions.

**Table II-1 – Program strategy**



## **B. Description**

2.4 The program is divided into the following four components. Their respective goals are described in the logical framework (Annex II-1).

2.5 Component 1: The program's four components are described below:

### **1. Institutional strengthening of SENAMA (US\$1.7 million)**

2.6 The objective of this component is to strengthen SENAMA at the central and regional levels as the agency responsible for coordination and linkage of the policies, initiatives, and programs for older adults implemented by Chilean government agencies, as well as its ability to adequately position issues related to older adults in Chile.

2.7 Activities will be conducted to build SENAMA's in-house and intersector coordination capacity, by establishing systems for information, planning and management control, monitoring, and evaluation, and training its human resources on relevant issues for working with both public and private agencies that serve older adults and with seniors' organizations. The following activities are planned:

- a. Adjust the SENAMA organizational structure, in the context of its charter, to address the deficiencies in organization, programming, financial management, and procurement identified in the Bank's institutional assessment. This activity seeks to establish an appropriate allocation of functions and responsibilities, clear powers and lines of authority, and working relations and lines of communication between departments, as well as to formalize procedures and mechanisms for programming and monitoring technical management and for

formulating, executing, and monitoring financial management, by strengthening key areas, including information, procurement of goods and services, internal auditing, and personnel training and management, to make the institution's internal operational management as effective as possible.

- b. Design and install an integrated information system to support SENAMA's budgetary, financial, and accounting management. The system will consist of two integrated subsystems: (i) a system to support internal management for planning, financial programming, budget execution, and procedures for procuring goods and services that will also provide the information needed for disbursement requests, revolving fund reports, physical and financial progress reports, and audit reports; and (ii) a system to support monitoring, oversight, and evaluation, in order to confirm that activities are being executed as planned, identify any problems in program implementation, verify achievement of the benchmarks, and draw up the necessary baseline data for measuring medium- and long-term outcomes. The system will be designed to integrate with the State Information System for Financial Management (SIGFE) and the Government Procurement System ("Chile Compra").
  - c. Design and implement a plan for continuing education and training for SENAMA staff, to address the shortcomings identified in the above-mentioned institutional assessment. Staff in the central and regional offices will be trained in proper implementation of the administrative procedure manuals, preparation and monitoring of annual work plans, financial management, procurement procedures, computer applications, and other areas.
- 2.8 Component resources will be used to finance: (i) the hiring of consultants for the organizational enhancement, design and installation of the information and monitoring and evaluation system, and preparation of the training plan; (ii) upgrading of the physical infrastructure and equipment and furnishings for these functions; (iii) hiring of temporary staff to perform technical and administrative functions; and (iv) courses, workshops, seminars, and other activities for SENAMA staff to provide advanced training and share successful experiences.

## **2. Improve intersector and regional coordination of public services for older adults (US\$1.8 million)**

- 2.9 The objective of this component is to strengthen intersector and regional coordination to provide more efficient and relevant services to older adults, by promoting the coordination of programs and initiatives, efficient use of resources, and new work practices in the services provided to older adults.
- 2.10 To achieve this objective, the following four subcomponents were designed: (i) implement the Joint National Plan for Older Adults; (ii) improve management

and work practices; (iii) Funding for Sector Studies and Initiatives (FIES); and (iv) develop SENAMA's regional institutional structure.

**a) Subcomponent 2.1. Implement the Joint National Plan for Older Adults (US\$100,000)**

- 2.11 Activities to design, monitor, and evaluate the 2005 and 2006 Joint National Plans for Older Adults will be conducted. The intersector design of the Plans is the result of the government's efforts to improve technical and financial coordination in actions targeting older adults (including education, health, transportation, housing, sports, culture, and tourism). The Joint National Plan will also take into account the specific needs of different target groups when configuring and determining the thrust of the services included.
- 2.12 This subcomponent provides for activities to: (i) identify sector teams to conduct Plan-related activities; (ii) draw up and agree on operational arrangements for intersector coordination; (iii) assess and identify potential areas for sector coordination; (v) design the Joint National Plans and the mechanisms for managing them; (vi) supervise and monitor execution of the Plan; and (vii) evaluate Plan execution and disseminate the lessons learned.
- 2.13 Subcomponent resources will be used for: (i) hiring one consultant and covering the related logistical expenses for supporting Plan execution activities; (ii) travel expenses for supervising and monitoring execution of the Plans; and (iii) publication and dissemination of successful intersector efforts.

**b) Subcomponent 2.2. Improve the management and work practices of government employees serving older adults (US\$300,000)**

- 2.14 Management models and instruments<sup>7</sup> and good work practices in the delivery of public services for older adults will be designed and implemented under this subcomponent, with emphasis on social inclusion.
- 2.15 This subcomponent includes: (i) a study to systematize lessons learned and promising practices in intersector coordination in Chile and abroad for serving older adults; (ii) the design of a training program for government officials to change their perception of and approach to older adults, covering issues related to successful, active, healthy aging, suitable methodologies and practices for serving older adults, and intersector communication and coordination, among other topics; and (iii) awareness-raising and training events for government employees who work with older adults, designed to change their perception of older adults and ensure the more effective management of programs and projects for them.

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<sup>7</sup> Models and instruments to be designed during program execution.

- 2.16 Subcomponent resources will be used to hire consultants to: (i) conduct the study on systematizing experiences; and (ii) design and implement training program modules.

**c) Subcomponent 2.3. Funding for Sector Studies and Initiatives (FIES) (US\$1.1 million)**

- 2.17 FIES resources will support projects and studies aimed at expanding, improving, and/or maximizing services for Chile's older population. To be eligible for FIES resources, projects and studies must strengthen agreed lines and actions agreed upon by SENAMA and other government agencies and must be contained in the Joint National Plans, must address situations that affect older adults for which there are no government services, and must improve the social impact and financial and technical sustainability of sector services and programs. Subcomponent 2.3 will supplement the above-described competitive fund (paragraph 1.15) that is open to private and nongovernmental institutions. It will include a comprehensive examination of Chilean legislation on older adults. In addition to the actual funding, the FIES operating system, processes, procedures, and operating criteria will be designed and implemented.

**d) Subcomponent 2.4. Strengthen SENAMA's regional institutional structure (US\$200,000)**

- 2.18 This subcomponent will help establish and start up SENAMA's 13 regional offices and train the employees who will serve as SENAMA regional experts or representatives.
- 2.19 SENAMA's regional technical representatives will report to two agencies: SENAMA, which promotes and coordinates policies and actions for older adults, and the regional governments, which represent the central government in the regions. Their functions and responsibilities will include advocating for older adults, coordinating regional activities with community associations and clubs for older adults, and coordinating government institutions that have programs and activities targeting older adults. The main instruments for institutional coordination will be the regional committees, chaired by representatives appointed by the regional prefects. The technical representatives' professional qualifications, job profile, and working relationship with the regional governments and SENAMA are described in the Operating Regulations, which are available in the Social Programs Division 1 technical files.

**3. Promote and develop the social worth and active citizenship of older adults (US\$2.2 million)**

- 2.20 The third component will strengthen organized participation by older adults in local clubs and community associations, improving their ability to influence government

initiatives on their behalf, promote projects for their members, boost demand for public and private services, and help channel those services.

- 2.21 To achieve this objective, three subcomponents were designed: (i) strengthen community associations for older adults; (ii) strengthen clubs for older adults; and (iii) public information to promote the social worth of older adults.

**a) Subcomponent 3.1. Strengthen community associations for older adults (US\$600,000)**

- 2.22 This subcomponent will strengthen the managerial and representation capacity of community associations for older adults and build the leadership capacity of association heads.

- 2.23 The following activities are included in this subcomponent: (i) training and technical assistance for community associations for older adults.<sup>8</sup> The training is designed to increase social-sector management know-how among community association leaders. The post-training technical assistance will consist of monitoring the preparation of specific work plans; (ii) national meetings for community association heads to raise awareness and share experiences, with the participation of representatives of foreign government agencies or institutions for older adults; and (iii) regional workshops for community association leaders, to disseminate public policies.<sup>9</sup>

- 2.24 Financing will be provided to: (i) hire specialized firms for the training and technical assistance; (ii) hire specialized firms to organize the national meetings and regional workshops; (iii) cover the expenses for the events attended by community association leaders and members; and (iv) cover international representatives' travel expenses.

**b) Subcomponent 3.2. Promote and strengthen clubs for older adults (US\$300,000)**

- 2.25 This subcomponent will strengthen the organization and management of clubs for older adults and increase the number of clubs formally established with full legal capacity.

- 2.26 This subcomponent includes the following activities: (i) a study to prepare a preliminary bill to amend Law 19418 that will help national and regional organizations for older adults form federations or confederations; (ii) orientation

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<sup>8</sup> This activity will target 50% of existing community associations in Chile (103), based on an adaptation of the investment prioritization index, which Chile uses to rank regions based, among other factors, on the population of given groups, their level of social organization and poverty, and their Human Vulnerability Index. Implementation of this activity is described in the Operating Regulations.

<sup>9</sup> The activities described in items (ii) and (iii) target 100% of the community associations (206).

talks and workshops on procedures for formalization and obtaining full legal capacity, for club managers and volunteers from clubs and groups that work with various organizations, such as CARITAS and the Red Cross; and (iii) orientation and management workshops for clubs experiencing operating problems.

- 2.27 Subcomponent resources will be used to: (i) hire consultants to draft a preliminary bill to amend Law 19418; (ii) hire consultants to organize the workshops and talks; and (iii) cover the expenses of workshop and talk participants.

**c) Subcomponent 3.3. Public information to promote the social worth of older adults (US\$1.2 million)**

- 2.28 This subcomponent will strengthen and develop SENAMA's line of public information, to better position issues affecting older adults among key target populations, i.e. political and opinion leaders, government officials, and older adults in Chile.
- 2.29 It includes the following activities: (i) media-related support to make SENAMA's existing public information activities more effective; (ii) execution of a media plan that includes the production and dissemination of radio programs; print and audiovisual material to raise awareness and disseminate issues affecting older adults; and other materials on SENAMA's role, responsibilities, and actions on behalf of older adults; (iii) seminars on good practices for representatives of universities and public and private institutions that serve older adults; (iv) information workshops and advanced training seminars for journalists; (v) activities with parliaments and civil society to promote legal initiatives for older adults; and (vi) implementation of the "Vivir la Vida"<sup>10</sup> event in all 13 regions of the country.
- 2.30 Subcomponent resources will be used to hire: (i) consultants to provide media-related support; (ii) consultants and public relations firms to produce and disseminate materials; and (iii) companies to organize the information workshops and seminars and the "Vivir la Vida" event.

**4. Develop innovative models for local services for older adults (US\$2.5 million)**

- 2.31 This component's objective is to implement and validate models for local services to promote activities for older adults and developing their capacity, by strengthening the municipalities' ability to administer and manage services and centers for older adults, and other initiatives to meet the needs of older adults.

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<sup>10</sup> "Vivir la Vida" [Live Life] is an annual cultural, recreational, social, and institutional event for older adults, organized by SENAMA, at which community associations and clubs for older adults and public and private institutions put up booths offering their services to seniors.

- 2.32 Two subcomponents were designed to achieve this objective: (i) design and implementation of models for local services; and (ii) professionalization of municipal management of services for older adults.

**a) Subcomponent 4.1. Innovative pilot projects for local services for older adults (US\$2.1 million)**

- 2.33 This subcomponent will help design, implement, evaluate, and validate 20 projects for local service models (preventive, intersector, and participatory) for older adults. The models will each organize supply and bolster demand in different ways. The service models for older adults tested in the pilot group of 20 municipalities (see paragraph 3.20) will function as local multipurpose windows in service centers, where older adults, particularly organized groups, can access innovative services for information, guidance, and referrals (welfare, health, employment, housing, and credit), training, recreational activities, support for organizations for older adults, and volunteer activities (e.g. for healthcare, home visits, training, production promotion), and other services.
- 2.34 This subcomponent includes the following activities in the 20 municipalities: (a) physical and functional upgrading (remodeling, expansion or new construction, equipping) of Centers for Local Services; (b) design of management instruments and guidelines for the different models (user information; intake, channeling, and analysis of demand from older adults; user and resource management; agreements with relevant local agencies or programs to implement the intervention model); (c) implementing the pilot projects for the models designed (paragraph 3.27); (d) training monitor trainers, local network managers, and older adults; (e) supporting and supervising the persons in charge; (f) designing, implementing, and financing volunteerism, which includes: promotion, recruitment, training, advising, support, supervision, and monitoring of volunteers; and (g) establishing and implementing advisory committees of local association leaders. The projects will be based on an acknowledgement of the social involvement of older men and women in various groups and will incorporate practices that take advantage of indigenous cultural experiences and contributions by the older indigenous population.
- 2.35 The subcomponent will finance: (i) the hiring of consulting services to prepare guidelines and instruments for managing the centers; (ii) building or remodeling centers, outfitting them, training the staff in charge, and some center operating expenses; and (iii) volunteer recruiting and training expenses.



**b) Subcomponent 4.2. Professional development in municipal management of services for older adults (US\$400,000)**

- 2.36 This subcomponent will help boost municipal capacity to manage local service initiatives, through training and activities to promote exchanges and partnerships among municipalities and with other local stakeholders.
- 2.37 The activities to be financed include: (a) one seminar for mayors and councilors from the 20 municipalities where the models and centers will be implemented; (b) the design and implementation of a training cycle (courses, national meeting, and internships for municipal employees and persons in charge of the pilot local service centers, networks and organizations for older adults, and other local institutions linked to the centers); (c) technical assistance and intermunicipal meetings to share experiences, for the respective municipal employees, focusing on changes in service delivery practices; and (d) the design, installation, and startup of the “Seniors for Development” pilot program, which will promote and create a corps of experienced older professionals or experts who are able to and interested in continuing to provide services in different areas of community development for minimal fees.
- 2.38 Subcomponent resources will be used to: (i) hire companies to organize the seminars and meetings; (ii) hire consultants to provide the training; and (iii) cover expenses for the design and initial operation of the “Seniors for Development” pilot program.

**5. Evaluation activities (US\$500,000)**

- 2.39 The program will also finance a series of evaluation activities to ascertain program outcome, the efficiency of program execution, lessons learned, the cost-effectiveness, replicability, and sustainability of the innovations introduced, and their respective impact on the various beneficiaries. Specifically, the results of the Joint National Plan for Older Adults, the FIES, interventions in organizations for older adults, and the local service model projects will be assessed. This will be done through four evaluations: (i) evaluation of the satisfaction, participation, and empowerment of older adults; (ii) evaluation of the preparation and implementation of Joint National Plans for Older Adults; (iii) a media analysis; and (iv) midterm and final evaluations of the program.
- 2.40 The first study (satisfaction, participation, and empowerment of demand) will determine the level of user satisfaction with the enhanced services, the impact on the capacity and empowerment of organizations for older adults, and the cost-effectiveness and replicability of the service models tested. The evaluation of the Joint National Plan for Older Adults will examine the programming and service progress attributable to the Plan, as well as the FIES’s contribution to the Plan’s impact. The media study will assess changes in the positioning of older adults in

different spheres of society. Lastly, the analysis of program execution will gauge its effectiveness and efficiency and identify the most important lessons learned for SENAMA's operations and future sustainability. The studies' findings will be examined in the midterm and final evaluations (paragraph 3.40) and will be shared with the community at the different meetings programmed. More information is available in the evaluation matrix in the technical files.

### C. Cost and financing

- 2.41 The total cost of the program is US\$9.3 million. The IDB will finance US\$6.5 million (70%) with resources from the Ordinary Capital. The amortization period will be 15 years, with a three and a half year grace period; and the interest rate will be LIBOR-based.

**Table II-2**  
**Program cost, by component and source of financing (in millions of U.S. dollars)**

Component	Total	%	IDB	Government of Chile
1. Institutional strengthening of SENAMA	1.7	18%	1.1	0.6
2. Improve intersector and regional coordination of public services for older adults	1.7	18%	1.2	0.5
3. Promote and develop the social worth and active citizenship of older adults	2.2	24%	1.7	0.5
4. Develop innovative models for local services for older adults	2.6	28%	2.0	0.6
Monitoring and evaluation	0.5	5%	0.5	-
Subtotal	8.7	93%	6.5	2.2
Credit fee and interest	0.6	7%	-	0.6
Percentage		100%	70%	30%
Total	9.3	100%	6.5	2.8

- 2.42 The financing will be disbursed over a period of 36 months, concentrated primarily in 2005 and 2006, as indicated in Table III-2 below).

### **III. PROGRAM EXECUTION**

#### **A. Borrower, guarantor, and executing agency**

- 3.1 The borrower will be the Republic of Chile and the operation will be executed by SENAMA, which reports to the Office of the Chief of Staff (SEGPRES) in the Executive Branch.

#### **B. Project execution and administration**

- 3.2 The program will be executed by SENAMA through its established institutional structure. The Committee of Ministers for Older Adults (paragraph 1.6) will be informed and consulted quarterly on the program activities, through the national director of SENAMA. As a condition precedent to the first disbursement of the loan, the borrower must demonstrate, to the satisfaction of the Bank, that a ministerial resolution has been issued establishing that SENAMA must fulfill all the respective obligations assumed by the borrower in the loan contract.
- 3.3 The national director of SENAMA will hold overall responsibility for program execution, and responsibility for the program components and activities will be assigned to existing SENAMA line departments and units. The duties and authority for technical and administrative coordination will be delegated to a coordinator reporting to the national director. To ensure proper execution of the activities, the coordinator will be supported by a team made up of at least two SENAMA professionals.
- 3.4 The program will strengthen SENAMA's central and regional teams by hiring and assigning 3 administrative staff and 13 professionals, who will support the work done by the teams in the departments of administration and finance; communications; planning; and intersector and regional coordination.<sup>11</sup> With a view to ensuring the sustainability of the activities carried out under the program, upon program completion certain additional positions will have to become permanent in order for the program to fulfill its mandate. Since SENAMA is basically a policy coordination agency, many of the program activities will be outsourced.
- 3.5 The program coordinator will be mainly responsible for technical and administrative execution for the program components, delegated by the national director, who holds the respective responsibilities and authority. To this end, the coordinator will have the following duties: (a) plan, oversee, coordinate, monitor, and evaluate the program activities; (b) coordinate the program activities with SENAMA line managers, participating for this purpose in SENAMA

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<sup>11</sup> Professionals for administration and finance; communications; human resources and training; evaluation; information systems; the Joint National Plan; work with municipalities; and support for coordination.

- interdepartmental meetings; (c) generate the technical, administrative, economic, and financial information required for proper execution of the program; (d) ensure that external resources and local counterpart funding are available; (e) produce the agreements and contracts with public and private institution that may be necessary; and (f) prepare the periodic progress reports and evaluation of the program.
- 3.6 **Special execution mechanisms:** Agreements will be signed for transfer of the resources to the participating public and private institutions. Specifically, for management of the FIES (subcomponent 2.3), management agreements will be entered into with the beneficiary government agencies and executing agencies for FIES-financed projects. In addition, for execution of pilot projects and models for local services, agreements will be entered into with the respective authorities of the communities selected to participate in them (subcomponent 4.1).
- 3.7 With a view to expediting program preparation and strengthening of SENAMA, the Government of Chile requested US\$299,000 in funding from the Project Preparation and Execution Facility (PROPEF), which was approved by the Bank on 24 June 2004.
- C. Execution of the program components**
- 1. Component 1. Institutional strengthening of SENAMA**
- 3.8 The activities to strengthen SENAMA will be carried out with PROPEF resources under the technical direction of the department of administration and finance. Consulting services will be hired for organizational adjustment, design and implementation of the central and regional training plan, implementation of the integrated information system design with support from PROPEF resources, and organization of the three meetings for exchanges planned. Program resources will also be used to hire temporary staff to strengthen the SENAMA teams and defray logistical expenditures necessary for the various program activities. The training activities will be carried out by SENAMA professionals, with the support of consultants and centers specializing in the respective areas.
- 3.9 The changes in SENAMA resulting from the proposed organizational adjustment prepared by the consulting firm to be hired will be formalized and implemented by a decree issued by the SENAMA national director. The proposal will also stipulate the contents of the training cycle planned for the central and regional staff, in which national and international experts and SENAMA professionals will participate as instructors.
- 3.10 The information system to be designed must be linked to the SIGFE and to vertical internal modules (of SENAMA) for monitoring of the program activities for older adults (such as the integrated national plan, financing, registries, IDB ad hoc program system) and with the systems of other government agencies that work with

SENAMA, generating an environment for evaluation for execution and monitoring of the various program activities. Procurement of the equipment will be subject to the specifications drawn up by an information technology expert in prior consulting services (using PROPEF resources).

## **2. Component 2. Improve intersector and regional coordination of public services for older adults**

- 3.11 Given the critical need for consolidation of the capacity to support the Committee of Ministers and the Joint National Plan for Older Adults, a consultant will also be hired under this component for the department of intersector and regional coordination. The consultant will be the technical focal point in the department for review, implementation, management, technical support, supervision, and evaluation of the Joint National Plan.
- 3.12 The second subcomponent, which will introduce good practices in central and regional government agencies, will be the responsibility of the intersector coordination unit (in the department of intersector and regional coordination), with support from consultants hired for this purpose. The instruments for management will be applied through agreements with five or more institutions, to be supported with activities for awareness-raising, training, technical assistance, and evaluation. In addition, annual seminars (central and region) will be organized with a view to establishing them as regular events, to be covered in the respective operating budgets. During the annual budget exercise, the Joint National Plans will be coordinated at the financial level by the budget department of the Ministry of Finance, SENAMA, and the various sectors. Coordination will be strengthened by specific projects financed by the FIES (subcomponent 2.3).
- 3.13 The third subcomponent (2.3, FIES) will also be administered by the intersector coordination unit. It will provide additional resources to agencies submitting projects (individually or jointly), of which it will finance up to 70% of the total cost. Preference will be given to projects for the extremely poor or disabled older persons and that promote intersector partnerships. Eligible projects may receive financing in the amount of up to US\$150,000, which may be used to defray expenses for training, equipment, monitoring, evaluation, and other items. The projects will have a maximum duration of 12 to 15 months, and no agency may submit more than two projects during the life of the FIES, except in special cases subject to approval by the Bank. Financing will be provided for studies on activities included in the Joint National Plan, for a duration of up to 12 months, and a maximum cost of US\$30,000, which must include the cost of publication and dissemination of the findings. Proposals for both projects and studies will be reviewed by the Technical Committee of Ministers and approved by SENAMA. Operation of the FIES will be regulated by a manual of procedures that will be included in the program Operating Regulations, supported by implementation of a

management control system, which will be designed and implemented with the help of consulting services to be hired.

- 3.14 The fourth subcomponent (2.4, strengthening of SENAMA's regional institutional structure) will be the responsibility of the regional coordination unit (in the department of intersector and regional coordination), with support from the department of administration and finance. One professional per region will be hired, following Bank procedures for the hiring of consultants. The subcomponent also calls for physical upgrading and the provision of equipment and furnishings (contracted, purchased, and distributed by SENAMA's central offices) for startup of the 13 SENAMA offices to support the regional committees for older adults. SENAMA will incorporate the respective positions into its budget on a timely basis, in order to ensure continuity of the functions after program completion. Technical coordination will be carried out by a National Technical Committee and Regional Technical Committees<sup>12</sup> operating in the 13 regions of Chile.

### **3. Component 3. Promote and develop the social worth and active citizenship of older adults**

- 3.15 Strengthening local associations and clubs for older adults is also the responsibility of the intersector and regional coordination department, with the support of hired consultants, the regional committees, municipal governments, the associations and clubs themselves, and the Advisory Committees (described under component 4). Neither physical works nor equipment will be financed with resources from this component.
- 3.16 For the first subcomponent (3.1, strengthen local associations), design and implementation of the training and technical assistance will be outsourced. The beneficiaries will be the boards of directors of 103 local associations (50% of local associations in the country), to be selected based on a point system adapted from the investment prioritization index by the regional coordination unit.
- 3.17 The second subcomponent (promote and strengthen clubs for older adults) will be implemented under the direction of the regional coordination unit (intersector and regional coordination department). Consulting firms will be hired to conduct both the study on current legislation and the training for informal organizations in the legal procedures for formalization. Consultants will also be hired to organize the provincial orientation and management workshops and for design and implementation of volunteer recruitment and orientation to support formalization of local clubs for older adults.

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<sup>12</sup> The Regional Technical Committees were set up at the time SENAMA was established. They are chaired by the regional prefects, and to date the Executive Secretariat has been assumed by one of the Regional Ministerial Secretariats (SEREMI) in the social sectors. The makeup, duties and responsibilities of these coordination levels are detailed in the Operating Regulations.

- 3.18 Execution of the third subcomponent (public information to promote the social worth of older adults) will be the responsibility of the communications unit, in coordination with the various SENAMA departments. Consulting services will be hired to design SENAMA's public information campaign using various lines of activity (mass media, website, meetings with media and political leaders, and large-scale regional events for older adults). Calls for proposals will be issued for the preparation, planning, and dissemination of the media plan (i.e. regional and national radio programs, annual production of the SENAMA directory of social programs for older adults and the Joint National Plan, and production of print and audiovisual material). Organization of the seminars, symposia, meetings, and other events will also be outsourced.

#### **4. Component 4. Develop innovative models for local services for older adults**

- 3.19 The fourth and last component will be the responsibility of the intersector and regional coordination department, with the support of consulting firms to be hired. Its operational management will involve a number of interrelated processes.
- 3.20 The *first subcomponent* (4.1, pilot projects) will be limited to a preselected group of 8 regions and 20 municipalities, based on objective criteria designed to take into account need, potential demand, coverage, and economic and technical feasibility. Additional municipalities will be selected to replace any municipalities that may decide not to participate for whatever reason, should the case arise. The 8 regions were identified because they are the ones that have over 50,000 older inhabitants (IV, V, VI, VII, VIII, IX, and X, and metropolitan Santiago).
- 3.21 Within each region, the *number of municipalities or models* to be studied was determined using quantitative and qualitative criteria. A first group was selected by combining the absolute number of older adults with the number of organizations for older persons in the municipality, adding the province as a criterion for priority-setting in regions with three municipalities. This combination of variables generated a numeric factor based on which 11 municipalities could be prioritized. Another 19 municipalities were identified accordingly to qualitative criteria, such as location (rural and urban), track record of programs or initiatives linked to older adults, mid-level development and consolidation in that area, and a lack of financial resources. The selection criteria and methodology used for their application are detailed in the Operating Regulations.
- 3.22 The next stage in the process focuses on SENAMA formulating guidelines and technical criteria for implementation and management of the models and centers<sup>13</sup> to be proposed by the municipalities, and for the respective staff training in the

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<sup>13</sup> Maximum costs of US\$77,000 for new construction of local centers for services for older adults; US\$35,000 for remodeling and expansion; and US\$10,000 for equipment.

- selected localities (for more detailed information on the process, see the Operating Regulations). Then, using the guidelines prepared, SENAMA will promote participation in the program among the selected municipalities. Each municipal government will have to confirm its willingness to participate, first through a letter of intent and then, once the respective project is approved, by signing a management agreement with SENAMA. For remodeling, expansion, or construction of the local centers, SENAMA will enter into an agreement with the respective Regional Ministerial Offices for housing and urban development, the latter assuming responsibility for design and execution of the works to be approved in each participating municipality, in accordance with Bank procurement procedures.
- 3.23 Expenditures for the construction, expansion or remodeling of local centers for services, and equipment and operation of the centers will be eligible. The procurement of goods and related services under this component will follow Bank procedures. Assets procured under the program will be delivered to the respective municipalities on gratuitous loan for use. As a condition precedent to the first disbursement of the component 4, SENAMA must enter into at least five agreements with the respective municipalities.
- 3.24 *Implementation of the pilot projects for services:* The pilot projects to be generated for each proposed model or group of models will be implemented by consulting firms to be hired with the participation of SENAMA central and regional office staff. First the population of older adults in the municipality will be mapped, along with the supply of public and private services at the sector, regional, and local levels. Then contacts will be made and operating agreements entered into with the institutions identified and with organizations for older adults in the municipality. The projects include training for the municipal staff in charge of the local centers and volunteers to be recruited. They will be completed with implementation of the management instruments under the supervision of central and regional SENAMA professionals.
- 3.25 *The second component (4.2)—for municipal professionalization—*will be the responsibility of the regional coordination unit. With the support of a consulting firm to be hired, the training activities agreed upon will be designed and carried out.
- 3.26 *“Seniors for Development” pilot program:* With technical assistance from experts from international organizations for senior volunteers and a Chilean organization with experience in this field, a corps of older professionals or experts will be set up to provide low-cost services for development of their communities. Using information from a data base in 10 of the municipalities selected for the first subcomponent (4.1), pilot projects will be designed and implemented for recruitment and operation and evaluation of such volunteer services. Minimal fees for specialized services in various areas of activities will be covered, among other expenses.



## D. Operating Regulations

- 3.27 Program execution will be governed by Operating Regulations stipulating the respective roles and obligations of the various parties involved in program execution, and the rules, criteria, procedures, and regulations necessary for execution of each program component. As a condition precedent to the first disbursement of the loan, the Operating Regulations agreed upon with the Bank must enter into force. Any changes in the Operating Regulations will also require prior approval by the Bank.

## E. Procurement of goods and services

- 3.28 The procurement of goods and services will be carried out in accordance with the Bank procedures set forth in document GN-2220. The procurement plan is attached hereto (Annex III-1).
- 3.29 **Goods and services:** International competitive bidding (ICB) will be required for the procurement of goods in amounts equal to or greater than US\$250,000. For amounts below that threshold, the procedures set forth in Chilean legislation will be followed. In the case of works, ICB will be required for amounts equal to or greater than US\$1 million.
- 3.30 **Consulting services:** ICB will be required for the hiring of consulting firms for amounts equal to or greater than US\$200,000, with prequalification of the firms. For amounts below that threshold, local competitive bidding will be required, in accordance with the Policies and Procedures for the Procurement of Consulting Services (<http://www.iadb.org/ros/prm/english/docs/PPPCS.pdf>). Individual consultants hired for six months or more will be considered staff.
- 3.31 **Review of procurement by the Bank:** Supporting documentation on the procurement of goods and the hiring of consulting services and disbursement requests will be reviewed in the ex post evaluation, except in the cases and for the amounts indicated in the table below, where an ex ante review will be conducted.

Table III-1 – Criteria for ex ante and ex post review of procurement procedures				
Type of review	Works	Goods and related services	Consulting firms	Individual consultants
Ex ante	First bidding procedures for each type	Amounts equal to or greater than US\$50,000	Amounts equal to or greater than US\$100,000	Amounts equal to or greater than US\$50,000
Ex post	Subsequent bidding procedures for the same type	Amounts below US\$50,000	Amounts below US\$100,000	Amounts below US\$50,000

- 3.32 The SENAMA administration and finance department will hold operating responsibility for procurement. Working jointly with the SENAMA legal department, it will: (a) make the administrative preparations for the calls for bids, procurement of goods, and awarding of contracts for construction contracts and consulting services, based on the technical documents to be provided by the departments that will implement the program; and (b) carry out the selection and hiring procedures for contracts for works, goods, services, and consultants.

**F. Execution period, disbursement schedule, and revolving fund**

- 3.33 The program execution period will be 36 months and the disbursement period, 42 months, calculated from the effective date of the loan contract. Although the terms are six months longer than the 30-month period established in document GN-2085-2, which instituted the flexible lending instruments, they are justified because: (a) they reflect the same Bank procedures (procurement and accountability) followed for other lending instruments; (b) time is necessary to complete the cycle of training and institutional strengthening required to validate the proposed innovations; and (c) time is also needed to evaluate the quality necessary for the proposed learning.
- 3.34 The tentative disbursement schedule, which is consistent with execution capacity and the availability of budgetary resources (preliminary projections), is shown in Table III-2. A revolving fund equivalent to up 10% of the loan amount will be established and the annual local counterpart funding will be allocated in the budget according to the *pari passu* agreed upon of 70%/30%.

Table III-2, Annual budget and source of financing (in US\$ millions)					
Source	Total	2004	2005	2006	2007
IDB	6.5	0.2	2.0	2.5	1.8
Government of Chile	2.8	0.01	00.6	0.5	1.7
Total	9.3	0.2	2.6	3.0	3.5

**G. Financial administration, accounting, and external auditing**

- 3.35 The executing agency will maintain an adequate systems of record-keeping and internal accounting and administrative controls, and will provide the financial statements and reports to the Bank in accordance with the General Conditions stipulated in the loan contract.
- 3.36 Administrative and financial execution of the program will be the responsibility of the SENAMA administration and finance department, which will report directly to the program coordinator for purposes of program financial and accounting administration. To this end, the department will implement an integrated information system model for administration, record-keeping, monitoring, and

accountability of the loan resources. The system will be integrated into the State Information System for Financial Management (SIGFE) and the vertical programs for project monitoring.

- 3.37 The duties of the SENAMA administration and finance department will be to: (a) prepare and deliver the following documents to the Bank, through the SENAMA coordinator: (i) disbursement requests and supporting documentation for eligible program expenses; (ii) semiannual reports on revolving fund movement; (iii) audited financial statement and other reports required by the Bank; and (iv) maintenance of an adequate filing system for the supporting documentation for eligible expenses for Bank staff and the external auditors; (b) manage the financial and accounting system with the program budget, maintaining proper separate program records integrated into the SENAMA system so that accounting and financial administration of the proceeds of the Bank loan and the local counterpart funding can be carried out in accordance with Bank requirements and the respective structure for internal oversight; and (c) transfer the resources to the ministries and municipalities and make disbursements to the government agencies participating in the program, taking into account proper compliance with the respective contracts, and ensuring compliance with the accountability agreed upon.
- 3.38 **External auditing:** The program financial statement must be reviewed by the Comptroller General's Office. The annual financial statements of the program will be submitted within 120 days after the end of the fiscal year, and the last one within 120 days after the last disbursement, according to the terms of reference approved by the Bank. The semiannual progress reports, including an evaluation of the environment and structure of the internal oversight system and a comprehensive review of the procedures for procurement and disbursement, must be submitted within 60 days after the end of the respective six-month calendar period. The statements must be submitted within 120 days after the end of the fiscal year throughout the program execution period, and the semiannual reports on operations and finance within 60 days after the end of each six-month calendar period, and must include a review of the supporting documentation for the disbursement requests.

#### **H. Evaluation, monitoring, oversight, and reports**

- 3.39 Execution of the program monitoring and evaluation activities (paragraph 2.39) will be the responsibility of the program coordinator, in cooperation with the departments of planning, development and oversight, and administration and finance, which will have modules of the integrated information system for these purposes and will provide the necessary inputs and technical support.
- 3.40 A mid-term evaluation of the process will be conducted (month 15 of program execution), focusing on achievement of the goals and evaluation of component operation. A final evaluation will be conducted on program impact (month 29),

using the benchmarks set forth in the logical framework, with special attention to replicability and sustainability of the strengthened SENAMA structure and successful pilot projects, as well as any differences in impact among the various groups targeted. Periodic meetings will be held during program execution to share the program results with other organizations working in this area.

- 3.41 **Supervision and reports:** SENAMA will submit semiannual progress reports to the Bank and will conduct periodic inspection visits to the various program activities, in order to review the progress achieved in program execution. It will pay special attention to the progress and findings of the evaluations to be conducted under the program, and to their linkage with the reviews and recommendations by the Committee of Ministers, the Technical Committee of Ministers, and the SENAMA Advisory Board.

## IV. BENEFITS AND RISKS

### A. Benefits and development impact

- 4.1 **Social impact:** The program will have a significant social impact by improving access to and rational use of local services through improved linkage between potential demand, by means of the proposed focal points for information and referrals as the axis for the innovative models for intervention to be tested. This strengthening of organizations and networks for older adults and private-sector participation will increase the social capital of older adults in Chile and their representative organizations as the protagonists in their own development. In addition, SENAMA's increased capacity to provide support and ensure coordination at the regional government level is expected to strengthen and innovate the State's responsiveness to this segment of the Chilean population.
- 4.2 **Stakeholder consultation:** The design of the proposed program took into account consultations conducted by the project team with the main networks for older adults (civil society) in the country (Chilean Network of Programs for Older Adults, Federation of Local Associations in Metropolitan Santiago). It is interesting to note that the focus groups held by some of these organizations spontaneously mentioned the pressing need for what they called "local public windows" at the municipal level. The program design addresses these concerns by specifying the pilot projects to be carried out in the participating municipalities with clubs for older adults and the respective community centers. Other contacts with community organizations for older adults during project preparation demonstrated that: (a) social participation by older adults is important and need not be limited to the same age group; (b) active seniors need to have their own spaces and financial resources for their groups to carry out their activities; (c) the increased access to new knowledge the program could represent for older adults would be appreciated; and (d) difficulties needed to be resolved in transportation, which was one of the obstacles to active participation by older adults in their organizations.
- 4.3 **Development impact:** The above-described strengthening of the supply and of the social capital connected with this segment of the population is expected to yield multiple benefits. These include increased access for older adults—especially the poorest—to basic services for health, education, welfare, and others, all of which will increase their independence and autonomy. Also noteworthy is the proposed pilot project to create a corps of "Seniors for Development" that will make a tangible contribution to local development at the neighborhood, community, and municipal levels.

**B. Risk**

- 4.4 The primary risk is related to SENAMA's short life as a government agency, but it will be reduced by the institutional strengthening activities. The mitigating factors will be that: (i) institutional strengthening is one of the main program components (ii) SENAMA has developed a strong mobilizing capacity, bolstered by the fact that it reports to the Office of the Chief of Staff; and (iii) SENAMA acts as Executive Secretariat of the recently established Committee of Ministers for Older Adults.
- 4.5 A second risk stems from the coexistence of the various central government agencies in Chile with the local autonomy of the municipalities, which may affect the timeliness and efficiency of development of models for local services (component 4). This risk will be mitigated by the establishment of SENAMA regional offices, in coordination with the respective regional governments, by the involvement of provincial authorities in program execution, and by the fact that the proposals for the various pilot projects will be prepared and submitted by the municipal authorities themselves.
- 4.6 Another risk that may affect execution of component 4 concerns possible changes in municipal leadership in some of the participating municipalities as a result of the municipal elections to be held in October 2004, mainly in terms of the commitments set forth in the preliminary letters of intent. Among the measures planned to mitigate this risk are: (i) local associations will participate in project promotion in the municipalities selected before the agreements are entered into; (ii) the Municipal Councils will act as guarantors in the agreements to be entered into with SENAMA; and (iii) a larger universe of potential participating municipalities has already been identified, so that any municipalities with newly elected mayors who decide to opt out of the program can be replaced.

**PROGRAM FOR INNOVATIVE INTERVENTIONS FOR OLDER ADULTS  
LOGICAL FRAMEWORK**

SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL</b> Help older adults to enjoy equitable, nondiscriminatory access to healthcare, social services, culture, continuing education, and responsible citizen participation.	By 2008, use of education and healthcare services by older adults, and their involvement in community organizations, increases by 30% over 2005 levels.	CASEN household survey.	The government continues to implement its policy on equitable, nondiscriminatory opportunity for older adults.
<b>PURPOSE</b> By program end, the delivery of public services to older adults and their ability to organize will be innovated and improved.	Upon program completion: 1. Participation by organizations for older adults in municipal economic and social councils increases by 10%.  2. User satisfaction among older adults increases 50% over baseline measurements.	1. Minutes of meetings of the municipal economic and social councils.  2. Survey of beneficiary elderly people.	1. Key program stakeholders (public services, municipios, local associations, and civil society organizations in general) value the opportunities offered under the program, form strategic partnerships with it, and actively participate in its execution. 2. The central government values and gives political support to the Joint National Plan for Older Adults.
<b>COMPONENT 1:</b> <b>INSTITUTIONAL STRENGTHENING OF SENAMA</b> Build up SENAMA's in-house capacity and capabilities.	Upon program completion: 1. 80% of the management shortcomings detected and given priority in the initial organizational assessment are overcome with sustainable solutions.	1. Ex post organizational evaluation.	1. The resources required for organizational enhancement of SENAMA are provided in a timely manner.

SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
	<b>Benchmarks</b> <ol style="list-style-type: none"> <li>1. By month 12, 80% of the professional team has been trained on the skills necessary for SENAMA's management and operations, and on gender and lifecycle perspectives.</li> <li>2. The training system is implemented.</li> <li>3. By month 12, SENAMA has implemented the organizational enhancement.</li> <li>4. By month 18, a management information system for SENAMA is up and running.</li> </ol>	<ol style="list-style-type: none"> <li>1. Progress report (monitoring system)</li> <li>2. Order by SENAMA's executive director (Annual report).</li> </ol>	
<b>COMPONENT 2:</b> <b>IMPROVE INTERSECTOR AND REGIONAL COORDINATION OF PUBLIC SERVICES FOR OLDER ADULTS</b> <p>By program end, SENAMA will have innovated in the areas of intersector and regional coordination and the work practices of government employees serving older adults.</p>	<ol style="list-style-type: none"> <li>1. By program end, at least 50% of the government programs and activities identified and included in the Joint National Plan for Older Adults are coordinated by SENAMA.</li> <li>2. By program end, at least 5 initiatives for older adults (programs or activities) of government agencies participating in the Joint National Plan are mediated by SENAMA through transfers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual financial report presented to the Committee of Ministers.</li> <li>2. Interagency agreements</li> <li>3. SENAMA's annual public account report submitted to the Committee of Ministers.</li> <li>4. 2007 Budget Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Committee of Ministers continues its activities and support for the Joint National Plan.</li> <li>2. The Finance Ministry maintains cross-sector budgetary support in areas related to older adults.</li> </ol>
<b>SUBCOMPONENT 2.1</b> <b>IMPLEMENT THE JOINT NATIONAL PLAN FOR OLDER ADULTS</b>	<ol style="list-style-type: none"> <li>1. Beginning in 2005, the Joint National Plan is formulated as part of the discussion of each year's budget.</li> </ol>	<ol style="list-style-type: none"> <li>1. Government agency budgeting documents are linked to the Joint National Plan.</li> </ol>	<ol style="list-style-type: none"> <li>1. Interagency technical roundtables are regularly held and attended by members.</li> </ol>



SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>SUBCOMPONENT 2.2</b> <b>IMPROVE THE MANAGEMENT AND WORK PRACTICES OF GOVERNMENT EMPLOYEES SERVING OLDER ADULTS</b>	<ol style="list-style-type: none"> <li>By month 12, SENAMA has developed and proposed at least 5 management instruments to sharpen the focus on older adults.</li> <li>By month 18, at least one agreement has been signed for each instrument proposed by SENAMA.</li> </ol>	<ol style="list-style-type: none"> <li>Documents submitted to the Committee of Ministers.</li> <li>Signed agreements.</li> </ol>	<ol style="list-style-type: none"> <li>Interagency technical roundtables are regularly held and attended by members.</li> </ol>
<b>SUBCOMPONENT 2.3</b> <b>FUNDING FOR SECTOR STUDIES AND INITIATIVES (FIES)</b>  2.3.1. Fund resources <ol style="list-style-type: none"> <li>Design technical and administrative foundation for the fund</li> <li>Financing for initiatives</li> <li>Financing for studies</li> </ol>	<ol style="list-style-type: none"> <li>By month 18, SENAMA has allocated 100% of the FIES funding.</li> <li>By month 24, 70% of FIES projects are in execution.</li> </ol>	<ol style="list-style-type: none"> <li>Resource allocation order.</li> <li>Project monitoring report.</li> </ol>	<ol style="list-style-type: none"> <li>The institutions linked to the Joint National Plan have the capacity to generate innovative projects.</li> </ol>
<b>SUBCOMPONENT 2.4</b> <b>STRENGTHEN SENAMA'S REGIONAL INSTITUTIONAL STRUCTURE</b>	<ol style="list-style-type: none"> <li>By program end, regional committees for older adults are operating and recognized by law in 100% of regions.</li> <li>By month 24, 50% of regional committees carry out plans to enhance implementation of policies for older adults.</li> </ol>	<ol style="list-style-type: none"> <li>Prefect's order establishing membership of regional committees for older adults.</li> <li>Enhancement plans approved by the authority in charge of organizational enhancement.</li> </ol>	<ol style="list-style-type: none"> <li>A contribution supports the opening of regional committee offices.</li> </ol>

SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>COMPONENT 3:</b></p> <p><b>PROMOTE AND DEVELOP THE SOCIAL WORTH AND ACTIVE CITIZENSHIP OF OLDER ADULTS</b></p> <p>By program end, society will value older adults more, and their organized involvement will have increased.</p>	<p>Upon program completion:</p> <ol style="list-style-type: none"> <li>1. Coverage of issues concerning older adults has increased by 10% in the major national press outlets.</li> <li>2. The national press carries 10% more messages about the social worth of older adults.</li> <li>3. The number of members of clubs for older adults increases by 10%.</li> <li>4. The average number of clubs per local association increases by 10%.</li> <li>5. The number of formalized organizations increases by 10%.</li> </ol>	<ol style="list-style-type: none"> <li>1. Quantitative and qualitative content analysis of national press coverage.</li> <li>2. Registry of organizations and SENAMA records system.</li> </ol>	<ol style="list-style-type: none"> <li>1. The press is interested in having journalists participate in training and awareness activities.</li> <li>2. Local authorities support involvement and organizations of older adults.</li> </ol>
<p><b>SUBCOMPONENT 3.1</b></p> <p><b>STRENGTHEN LOCAL ASSOCIATIONS FOR OLDER ADULTS</b></p>	<p>Upon program completion:</p> <ol style="list-style-type: none"> <li>1. 103 local associations (50% of the total in the country) have carried out management improvement plans.</li> <li>2. 600 national directors of local associations (3 per local association) have attended 3 national meetings.</li> <li>3. A total of 1,236 local association directors have attended 26 regional workshops.</li> </ol>	<ol style="list-style-type: none"> <li>1. A progress report for each benchmark is recorded in the monitoring system.</li> </ol>	<ol style="list-style-type: none"> <li>1. Local associations for older adults are open to member involvement in the subcomponent activities.</li> </ol>

SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>SUBCOMPONENT 3.2</b> <b>PROMOTE AND STRENGTHEN CLUBS FOR OLDER ADULTS</b>	<p>Upon program completion:</p> <ol style="list-style-type: none"> <li>1. A study has been done of Law 19418.</li> <li>2. 375 clubs have been formally established.</li> <li>3. 1,200 club directors have attended provincial orientation and management workshops.</li> <li>4. 780 volunteers have been oriented to support the formal establishment of clubs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Approved report of the study on Law 19418.</li> <li>2. A progress report for each benchmark is recorded in the monitoring system.</li> </ol>	<ol style="list-style-type: none"> <li>1. Informal organizations are open to their members attending the planned workshops and discussions.</li> </ol>
<b>SUBCOMPONENT 3.3</b> <b>PUBLIC INFORMATION TO PROMOTE THE SOCIAL WORTH OF OLDER ADULTS</b>	<ol style="list-style-type: none"> <li>1. By month 7, SENAMA has approved a media plan.</li> <li>2. By month 18, 70% of the media plan has been executed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Order by SENAMA's executive director, approving the media plan.</li> <li>2. A progress report for each benchmark is recorded in the monitoring system.</li> </ol>	<ol style="list-style-type: none"> <li>1. Public and private-sector stakeholders respond to SENAMA's call for support for public information.</li> </ol>
<b>COMPONENT 4</b> <b>DEVELOP INNOVATIVE MODELS FOR LOCAL SERVICES FOR OLDER ADULTS</b> <p>By program end, models of local services to older adults have been implemented and validated, and the municipios' management capacity strengthened.</p>	<ol style="list-style-type: none"> <li>1. 80% of older adults who use local service centers say they are satisfied with the services received.</li> <li>2. Upon program completion, at least 10 of the models piloted are shown to be replicable and sustainable.</li> <li>3. 20 plans for improving services to older adults at the municipal level have been executed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Survey of beneficiaries.</li> <li>1. Evaluation study</li> <li>2. Improvement plans are incorporated into the agreements SENAMA signs with municipios.</li> <li>3. Progress reports on improvement plans.</li> </ol>	<ol style="list-style-type: none"> <li>1. Local public- and private-sector entities are interested in actively supporting component activities.</li> <li>2. Municipios are willing to cofinance and participate in local center activities.</li> </ol>

SUMMARY OF OBJECTIVES	BENCHMARKS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>SUBCOMPONENT 4.1</b> <b>INNOVATION OF LOCAL SERVICES FOR OLDER ADULTS</b>	<p>Upon program completion:</p> <ol style="list-style-type: none"> <li>20 models for local services to older adults are in operation.</li> <li>30,000 elderly people have participated in training activities at centers.</li> <li>200 people promote and perform volunteer activities.</li> </ol>	<ol style="list-style-type: none"> <li>Agreements with local organizations.</li> <li>Monitoring reports on center activities and SENAMA's monitoring reports.</li> <li>Registry of volunteers.</li> <li>Information and claims office (OIRs) information system</li> </ol>	<ol style="list-style-type: none"> <li>The centers are located so as to be accessible to older adults.</li> </ol>
<b>SUBCOMPONENT 4.2</b> <b>PROFESSIONAL DEVELOPMENT IN MUNICIPAL MANAGEMENT OF SERVICES FOR OLDER ADULTS</b>	<p>Upon program completion:</p> <ol style="list-style-type: none"> <li>40 local government representatives have participated in area seminars.</li> <li>40 municipal professional staff have attended training activities.</li> <li>40 municipal professional staff have participated in knowledge exchange meetings.</li> <li>1,600 hours of technical assistance has been provided to municipio professional staff working with older adults.</li> </ol>	<ol style="list-style-type: none"> <li>Attendance records of seminars and meetings</li> <li>Monitoring report prepared by the director of each center.</li> </ol>	<ol style="list-style-type: none"> <li>Staff who attend events interact with older adults.</li> <li>There is low turnover of skilled municipal staff.</li> </ol>

**PROGRAM FOR INNOVATIVE INTERVENTIONS FOR THE ELDERLY  
(CH-L1005)**

Main items to be procured under the program	Amount in US\$	Source of financing		Procurement method	Prequalification (Yes / No)	Tentative notice publication date	Status
		IDB (%)	Gov. of Chile (%)				
<b>1. Goods or equipment</b>	<b>442,890</b>	<b>84%</b>	<b>16%</b>				
Strengthening SENAMA	39,040	84%	16%	LCB	No	2004	Pending
SENAMA equipment and furniture	31,850	84%	16%	LCB	No	2005	Pending
Regional committee equipment and furniture							
Public information on elderly	172,000	84%	16%	LCB	No	2004	Pending
Media plan execution							
Innovative pilot projects for local services	200,000	84%	16%	LCB	No	2005	Pending
Equipment for centers for local services							
<b>2. Works – Construction</b>	<b>670,000</b>	<b>84%</b>	<b>16%</b>				
Strengthening SENAMA							
Remodeling of facilities	20,000	84%	16%	LCB	No	2004	Pending
Innovative pilot projects for local services							
Construction/expansion/remodeling of facilities	650,000	84%	16%	LCB	No	2005	Pending

**ICB:** International competitive bidding  
**DC:** Direct contracting

**LCB:** Local competitive bidding  
**LB:** Limited bidding

Main items to be procured under the program—consulting services	N° of consultants	Amount in US\$	Source of financing		Procurement method	Prequalification (Yes / No)	Tentative notice publication date	Status
			IDB (%)	Gov. of Chile (%)				
1. Strengthening of SENAMA	47	1,647,800	100%	-	LCB	No	2004	Pending
2. Improving intersector coordination for public service delivery	41	604,400	100%	-	LCB	No	2004 / 2005	Pending
3. Development of active citizenship for the elderly	245	983,092	100%	-	LCB	No	2005	Pending
4. Development of innovative models for local services for the elderly	223	1,670,591	100%	-	LCB	No	2005	Pending
5. Evaluation	1	510,000	100%	-	LCB	Yes	2005	Pending
<b>Total</b>	<b>556</b>	<b>7,573,071</b>	<b>100%</b>	<b>-</b>				

ICB: International competitive bidding  
DC: Direct contracting

LCB: Local competitive bidding  
LB: Limited bidding